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McENROE WINS
See Sports, Page 21

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PARIS, WEDNESDAY, JUNE 22, 1988



Dutch Win 2-1 to Gain European Soccer Final

Eike Immel, West Germany's goalkeeper, stopped a shot by Marco van Basten of the Netherlands early in Tuesday's European soccer championship semifinal match. But the Dutch, with van Basten scoring in the final minute of the second half, won 2-1. In Saturday's finals, they will play the winner of Wednesday's match between the Soviet Union and Italy. Sports, Page 21.

A 'Party' Permitted In Estonia

Non-Communist Peoples Front Backs Reforms

By Bill Keller
New York Times Service
MOSCOW — Authorities in the republic of Estonia, in an important precedent for other regions of the Soviet Union, have permitted the creation of the first large-scale political group outside the Communist Party.



President Ronald Reagan and Secretary of State George P. Shultz at the summit session on Tuesday in Toronto. Beyond them, from left, Sir Geoffrey Howe, Margaret Thatcher and Nigel Lawson.

Canada Summit Renews Call for A Stable Dollar

By Reginald Dale
International Herald Tribune
TORONTO — The major industrialized nations concluded on Tuesday their annual economic summit meeting with a commitment to hold the dollar in roughly its current level and with an optimistic assessment of the world economy.

ATA Seeks Military Airspace

By Warren Getler
International Herald Tribune
LONDON — Faced with growing congestion in air corridors over Western Europe, the International Transport Association and civil aviation authorities are urging that military airspace be opened to commercial carriers.

U.S. Weighs Plans to Relocate Its Bases in the Philippines

By Michael Richardson
International Herald Tribune
SINGAPORE — The United States has begun detailed studies on relocation of military bases in the Philippines because of concern that Manila is attaching unacceptable conditions to their future use, U.S. officials say.

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By Michael Richardson
International Herald Tribune
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Kiosk

Palestinians Clash in Beirut

BEIRUT (AP) — Guerrillas backing Yasser Arafat, chairman of the Palestine Liberation Organization, fought with the forces of Sayed Musa, their Syrian-backed Palestinian rivals Tuesday over control of Beirut's Chatila and Burj al-Brajneh refugee camps.

They're Banking on Dukakis

His Campaign Fund Is More Than Double His Rival's

By Richard L. Berke
New York Times Service
WASHINGTON — Governor Michael S. Dukakis enters the nominating convention and general election phase of the campaign with far more money to spend than Vice President George Bush.

Bush Trails in Poll

From Washington, David S. Broder and Richard Morin of The Washington Post reported:
Despite a slight improvement in the public's optimism about the economy and the trend of affairs, Vice President Bush continues to trail Mr. Dukakis in the latest Washington Post poll.

Shrinking Middle Class Climbs a Notch in U.S.

By Spencer Rich
Washington Post Service
WASHINGTON — America's middle class has been shrinking since 1969, but mainly because more families have moved into the upper class, according to an economic study by the government's Bureau of Labor Statistics.

The Italian Communists elected Achille Occhetto of the party's left wing as their leader.

Page 6.

General News

Haiti's new ruler has nothing to fear from the United States, American officials say. Page 3.

Arts/Leisure

Mediterranean antiques are becoming fashionable in the auction market. Page 12.

Business/Finance

Two investor groups announced a truce in their tug-of-war over Belgium's Societe Generale. Page 13.

Special Report

Luxembourg's role as an offshore financial center faces the challenge of 1992. Pages 7-11.



In Tokyo, a Shinto priest offers an orange to a young elephant after a ritual blessing for the 16 pachyderms.

The Greatest Smell on Earth

By Margaret Shapiro
Washington Post Service
TOKYO — The greatest show on earth, Ringling Brothers and Barnum & Bailey Circus, is coming to town, and the fastidious Japanese are more than a little anxious about the odors that might accompany it.

Dow Jones	25.24
Up	25.24
Down	126.425
FF	5.923

The Dollar	1.7553
DM	1.7885
Yen	126.425
FF	5.923

هڪڙا سون، لاجل

U.S. Officials Described as Resigned to Namphy Seizure of Haiti Power

By David Ottaway
Washington Post Service

WASHINGTON — The Reagan administration, stung by the failure of efforts to oust Panama's military ruler, Manuel Antonio Noriega, has no plans to press in a similar manner for the removal of General Henri Namphy, who seized power in Haiti in a coup on Monday, according to U.S. officials.

Observers said there was a notable feeling of resignation among U.S. officials about the prospect of just four months of civilian rule in Haiti. There also has been a sense of the administration's limited ability to do anything now to promote democracy in Haiti, given the failure of the long diplomatic and economic struggle to squeeze General Noriega out of power in Panama.

"We had limited leverage in Panama, we have even more limited leverage in Haiti," an administration official said. "We're back to zero — watch, wait and evaluate."

The State Department spokesman, Phyllis Oakley, said Tuesday that the United States would continue to work for a transition to democratic rule in Haiti but gave no indication that the administration has any specific steps in mind about how to press for that.

Ms. Oakley said that the administration was not contemplating a change in diplomatic relations with the military government over removal of the elected president, F. Manigat, and gave no hint of considering any economic or sanctions to pressure General Namphy into a return to civilian rule.

The United States by November already cut off all aid but \$36 million in humanitarian assistance funneled through private U.S. agencies in a bid to force General Namphy to hold free and fair elections.

Mr. Manigat emerged as president with just 50.3 percent of the vote in elections held in January. The United States said "do not expect the fulfillment of a democratic transition."

Ms. Oakley also indicated that the United States was ready to work with the Namphy government, saying there were "examples of good government around the world of whom we don't approve" with whom we have relations and are dealing.

U.S. officials were quick to reject

Los Angeles Street Gangs Spread Drugs and Fear Far Afield

By Robert Reinhold
New York Times Service

STOCKTON, California — It is a weekly ritual that vexes and confounds the residents and the authorities in this plaid farming center, where the asparagus and tomato fields of the fertile San Joaquin Valley push almost into downtown. Every weekend, members of Los Angeles street gangs make the 337-mile (550-kilometer) journey up the freeway and set up shop in a motel room or local home.

From there they deal the concentrated cocaine derivative called crack to local buyers and, in some cases, death to those in their way. Like itinerant peddlers, they travel to broaden a saturated market.

An ounce of crack that costs \$600 in Los Angeles, can bring broken into smaller "rocks," \$2,200 to \$2,400 in

Stockton, where there are fewer sources of supply and where the demand is growing. If a local competitor emerges, the well-heeled visitors from Los Angeles will offer cut-rate "two-fers" or "double-ups," until the competition folds or joins them.

The recent spread of Los Angeles' armed street gangs, which control most of the retail drug trade in this region, to smaller cities and towns of the West is one of the more extraordinary aspects of the crack business. The police say they have set up branches in such California cities as Bakersfield, Fresno and Sacramento; in Reno, Nevada, and even as far away as Anchorage, Alaska.

The result has been a dose of violence as the gangs fight for market share. "The real violence has come only in the last year because of the cocaine — they finally got something to fight over," said Detective Gilbert Mendez of the San Joaquin County sheriff's office.

Of 15 murders in Stockton this year, six have been gang-related, according to Dale A. Wagner, the police department's chief investigator. On March 20, a nearly blind 18-year-old youth, Edward Wayne Riley, not a gang member, was shot to death because he could not see a gang advancing on a group of youths he was with.

While gangs are not nearly as strong in Stockton as in Los Angeles, there are about seven Los Angeles gangs with a foothold in the city. Most notable are the 5-Duce Hoover Crips, the North Side Gangsters, the South Mob and the 118th Street East Coast Crips.

They are drawn not only by the high price that cocaine fetches in Stockton but

also by the recent heavy crackdown by the police in Los Angeles. They operate openly in Stockton. Local members of the East Coast Crips, in their blue baseball caps, hang out under the oak trees along Marsh Street near Filbert Street, intimidating residents of the Village East Apartments, a two-story complex in this city of 185,000 people.

But two women in the complex, Ella Jones and Melva Doyle, are fighting back. Ms. Jones, who is assistant manager, patrols the grounds with a bullhorn. "If they see me, they take off," she said.

Her ally, Mrs. Doyle, scanned the courtyard and, referring to the Crips gang, said: "This is blue territory — I notice more of the younger kids wearing blue scarves. They come through with scarves in their back car windows." The low-income complex has had two murders and several shootings in recent months.

Mrs. Doyle, mother of two girls, has earned a measure of respect and civility by confronting the gangs and calling the police. Two months ago, her car windows were shot out. "They told my girls they were going to get me because I was a bitch," she said.

But the women are the exception. So intimidated are residents that it is difficult to find witnesses to gang-related crimes, according to Wally Kobayashi, an investigator for the district attorney's office, which is prosecuting 11 gang members charged in the death of the Riley youth.

The growing influence of the gangs, which are made up of blacks, on local black youth has stirred deep unease among parents and teachers.

Poll Showing Gains by Opposition Enlivens Mexico Election Campaign

By Larry Rohter
New York Times Service

MEXICO CITY — The most thorough and nonpartisan survey of Mexican voters in the presidential campaign shows Carlos Salinas de Gortari of the Institutional Revolutionary Party ahead of his two main rivals in the coming election, but with a smaller lead than any achieved by his party in modern times.

The poll, made public on Monday, indicates that Mr. Salinas is favored by 56 percent of registered voters in the July 6 election, compared with 23 percent for Cuauhtemoc Cárdenas of the left-populist National Democratic Front and 19 percent for Manuel Clouthier of the right-of-center National Action Party.

The survey was conducted from May 12 to June 1 by the Gallup Organization for ECO Inc., a Spanish-language television network and news service based in Los Angeles and affiliated with the Mexican television network Televisa.

The poll, involving interviews with 2,960 people, had a margin of sampling error of plus or minus 3 percentage points.

In the Mexico City area, where one-quarter of Mexico's 83 million people live, Mr. Salinas has the support of only 47 percent of the electorate, the survey shows. But comfortable majorities elsewhere in the country, including two-thirds of the vote in the backward and impoverished states of the south, more than compensate for his weak showing in the capital.

The findings are certain to heat up the debate about the election and about the function and reliability of polls as the race enters its

final two weeks. Both Mr. Clouthier and Mr. Cárdenas are on record as saying that the only way Mr. Salinas can possibly win is through large-scale electoral fraud carried out by the PRI, as the ruling party is known, and that such fraud is already well under way.

Electoral polls have, until this year, been regarded in Mexico as of relatively little interest or importance, since the outcome of every election was a foregone conclusion.

The ruling party has never lost a presidential or gubernatorial election since coming to power in 1929, but accusations that it has engaged in widespread electoral fraud to pad its totals have become increasingly common as the political opposition has come close to victory in several recent state and local elections.

As recently as the 1976 presidential election, the ruling party candidate, José López Portillo, ran unopposed and won all the recorded 16.7 million votes cast. In 1982, Miguel de la Madrid received 71 percent of the total vote, compared to 16 percent for the National Action Party.

The campaign this year, however, has evolved into a hotly contested three-man race that has prompted more public interest and debate than any election in nearly half a century.

The increased competition has led to a burst of polls conducted by newspapers and television stations, universities, political parties and public opinion groups.

Most of those polls, however, have been regarded as of dubious reliability. Questions have been

5 Officials Reassigned in Pentagon Inquiry

WASHINGTON — Defense Secretary Frank C. Carlucci is reassigning five Pentagon officials who are under scrutiny in the Pentagon bribery investigation, sources said Tuesday.

The five were identified as James E. Gaines, a deputy assistant navy secretary; Victor D. Cohen, a deputy

assistant air force secretary; George Stone, a navy official in the Space and Naval Warfare Systems Command; Stuart Berlin, an executive with the Naval Air Systems Command, and Jack Sherman, a Marine Corps official who works in the equipment and service acquisition section.

The affair came to light June 14,

when federal investigators seized materials from military contractors, consultants and Defense Department officials.

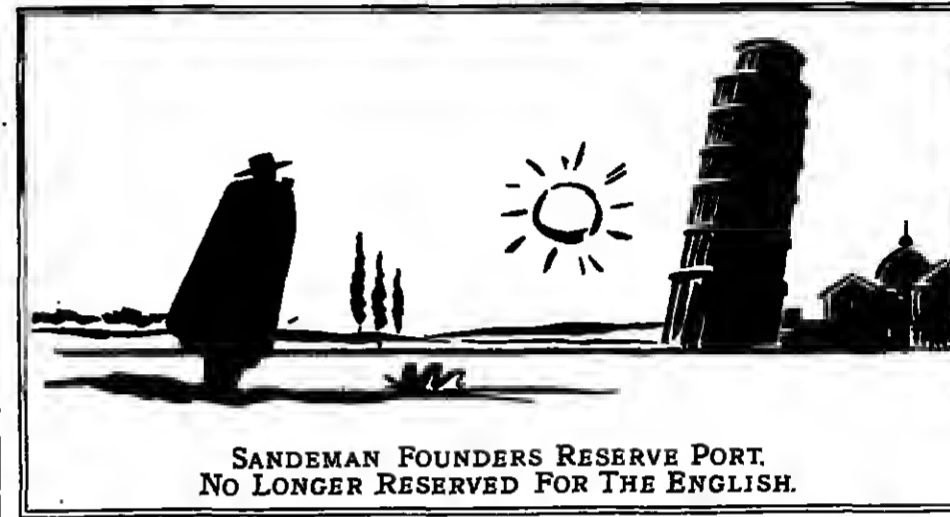
The case focuses on the illegal trafficking of confidential information between Defense Department personnel and officials of several major defense contractors.

(AP, AFP)



Cuauhtemoc Cárdenas

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AMERICAN TOPICS

Why Civilians Fight the Civil War Anew

Just when reenactments of Civil War battles began to open a dispute, the novelist Rita Mae Brown writes in *The New York Times*, but they took their elaborate present-day form with the 100th anniversary re-creation of the First Battle of Bull Run, down in the South as First Manassas, in 1961.

These days, reenactments are annual events at battlefields ranging from Gettysburg, Pennsylvania, to Vicksburg, Mississippi. The civilian volunteers doing part "may not be subject to actual bullets, but like their ancestors they must push on through clouds of sulfur smoke and risk being trampled by horses untrained as cavalry mounts and crazed by the noise," she author notes. "Infantrymen discover that, even if they think they know where they are going, it's damned difficult when you can't see two yards in front of your face. A continued artillery barrage envelopes people in thick blackness and the heat, escalating dangerously, is suffocating."

"You are practically blind, exhausted, raked with thirst and, even if the other side isn't trying

to actually kill you, the thought of killing them to get out of this hellhole crosses your mind."

So why do people do it? Because "no other war, not even the Revolutionary War, has so fired the public imagination." Because "you'll learn more from one staged battle than from an avalanche of books." Because "for a brief moment, one is ripped away from the impersonal, over-regulated 1980s. And because 'a battle in which you can't be killed is the best kind there is.'"

Short Takes

Chevrolet has one solution to the problem of losing car keys or inadvertently locking them in the car: Its Corsica and Beretta models come not only with the standard metal keys but an extra set of plastic keys mounted in a holder the size of a credit card that fits easily into a wallet or purse. The keys are unbreakable and can be used several times before wearing out.

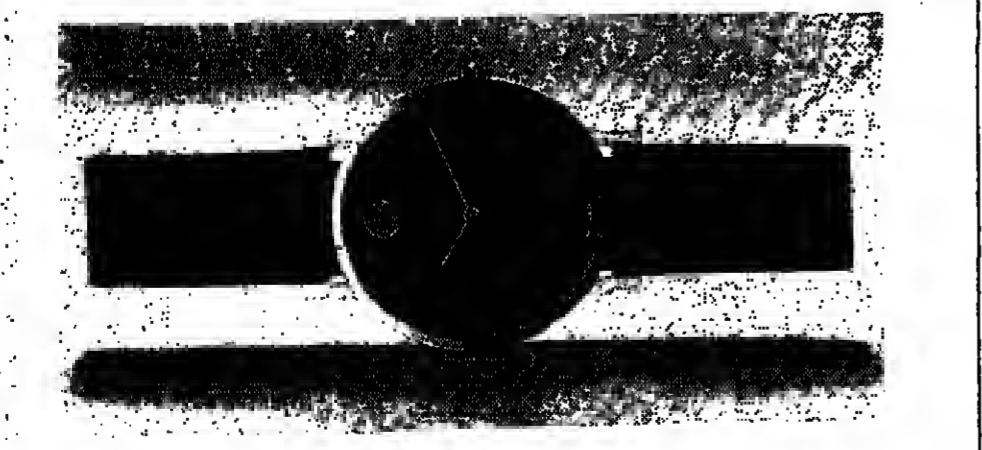
More and more parents are taking their small children with them when they dine out, and not only to fast-food restaurants. According to a survey of 10,000 families taken for the National Restaurant Association, the number of children under 6 patronizing better restaurants rose 43 percent from 1982 to 1986, far faster than the overall increase of 10 percent in that market. The *New York Times* says many parents now have more disposable income and less access to baby-sitters. "It used to be the few kids

you saw were loud," said Dan Kaspar, an Atlanta waiter. "Now there are more of them but they are well behaved. You can tell they are educated, used to going out."

Charlyne Hunter-Gault, who was one of the first two blacks to enroll at the University of Georgia in 1961, encountering the jeers and snobs of white students, said in a commencement speech at her alma mater this month on the 25th anniversary of her graduation: "If I had to do it all over again, I might have hoped for less of a struggle. But even today, I would welcome the challenge."

In a letter to *The Washington Post*, Louise Chesnut wrote that but for National Airport, in the heart of the metropolitan area, she and her husband, now retired, might well have started staying up to watch television and sleeping late. "The airport has saved us from such a self-indulgent and sloppy way of living," she wrote. "The airport is more efficient at waking us than even the most strident of alarm clocks, and it is not subject to electrical outages. We are roused regularly each morning at exactly 7:01, as the first planes streaming out of National pass overhead. The 7 o'clock flights are so numerous that we are not tempted to pull a pillow over our ears and try for a little more sleep, but arise promptly."

Arthur Higbee



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INTERNATIONAL Herald Tribune

A Corrupt System

In the Pentagon weapons-buying scandal, some critics fault the hands-off management style of former Defense Secretary Caspar Weinberger...

How to Help Haiti

After a brief time of hope that ended last November, Haiti has been sliding backward toward its traditional politics of plunder and violence...

Other Comment

Only a Hesitant Beginning

Mikhail Gorbachev has inaugurated a new phase of de-Stalinization. But, as with each previous flurry of revisionism, his condemnation of Stalin has reached no further than necessary to consolidate his leadership...

Japan and the Middle East

Foreign Minister Sonke Uno this week visits the Middle East to search for ways in which Japan may contribute to peace in this region of conflict...

The Actress Has Apologized

At the height of the Vietnam war in 1972, actress Jane Fonda went to Hanoi to protest U.S. involvement in Southeast Asia...

The Stench May Get Worse

The grand jury investigation of bribery and corruption in the Pentagon's procurement program, is starting to show every sign of developing into a gale-force scandal...

Nuclear Weapons: The Only Acceptable Level Is Zero

By Charles J. Haughey

The writer is prime minister of Ireland.

DUBLIN — Recent developments should not cause us to lose sight of the deeply troubling currents in a world which is still far from abandoning the age-old reliance on military strength...

thousand test explosions have taken place. Ireland believes that a Comprehensive Nuclear Test Ban Treaty is the first priority...

ment should be reached on the total elimination of chemical weapons, the use of which must be regarded with universal revulsion.

urged upon us by respect for human life and concern for survival. Mine is a small country. We are not a member of any military alliance...

This comment was adapted for the International Herald Tribune from an address on June 2 to the United Nations special session on disarmament.

Vulnerable America Needs Nuclear Deterrence

By Jeane Kirkpatrick

WASHINGTON — At last the discussion of foreign policy has begun in the American presidential campaign. In his appearance before the Atlantic Council last week, Michael Dukakis finally said where he stands on issues of national security...

We need an anti-tank weapon that can stop Soviet tanks. He believes that America has a "massive and survivable nuclear deterrent," but he did not imply, nor does he presumably believe, that U.S. security can be guaranteed by a strategy of mutually assured destruction...

stand the revolution in technical thinking and conventional defenses. France, as conventional thinking and conventional defenses are concerned, has been a leader in this field...

Gulf War: A Face-Saving UN Formula to Bring Iran Around

By Anthony Parsons

EXETER, England — It is almost a year since the United Nations Security Council unanimously adopted its mandatory Resolution 598, demanding a cease-fire and other measures to bring an end to the war between Iraq and Iran...

reason to agree to a cease-fire. This could be achieved by the Security Council publicly adopting a more impartial posture. It would be hard to sell to Iraq, but Baghdad might be prepared to accept a diplomatic setback if it opened the door to peace...

the Soviet Union and China should not find such a solution totally unacceptable. France has just reopened relations with Tehran, and Britain has asserted its impartiality.

Council, whatever its members think of the atrocious international behavior of the Khomenei regime, not prepared to acknowledge that needs something more than impositions in Resolution 598 to show it is not a mere formality...

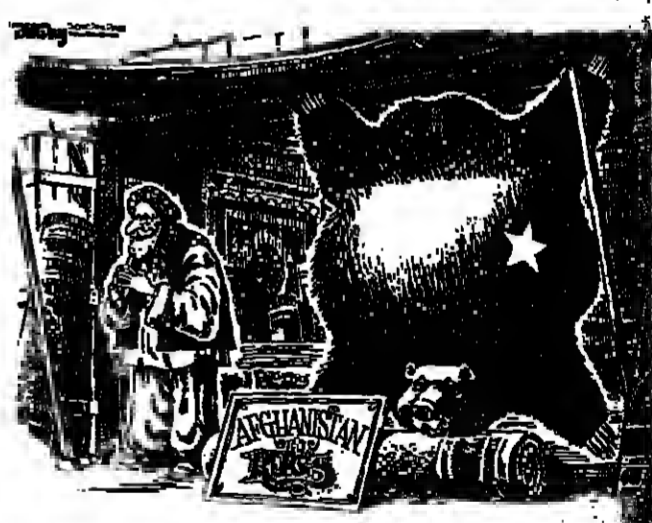
This Savy Russian Saw Iran as the Place to Fear

By John K. Cooley

LONDON — It seems like yesterday, a summer noon in Washington, 1979. Much of the media was celebrating the signing of the SALT-2 Treaty by Jimmy Carter and Leonid Brezhnev. An outdoor lunch and a stroll with Alexander Zotov, a Soviet Embassy official, provided a welcome pause in a daily reporting routine at the Pentagon...

crisis, Mr. Kazankan "argued to Stetsko that the United States was 'not doing enough to help the shah.'" Alexander Zotov never said anything like that to me. What he did say was: "You and we both fooled around in Iran before. We got burned. You'll get burned, too, unless you're very careful."

1920, after generations of warfare and killings of Armenians by Turks, Kurds and sometimes Russians. After 1920, the Turkish-Soviet boundaries drawn across their territory became what to Armenians seem permanent partitions. Only the Soviet republic of Armenia kept its cultural identity and some kind of national structure — if not political freedom.



Alexander Zotov, a Soviet Embassy official, provided a welcome pause in a daily reporting routine at the Pentagon.

100, 75 AND 50 YEARS AGO

1888: News Summary

PARIS — China: An alarming rebellion on the part of the large number of persons left destitute by the recent inundations of the Yellow River is reported to have broken out. Troops are stated to have joined the rebels and to have slaughtered officials.

1938: Fire at the Louvre

PARIS — The firemen of Paris last night [June 21] prevented serious material and cultural loss when they put out a blaze on the roof of the Louvre over the Grande Galerie, directly above dozens of canvases Rembrandt and Rubens. The blaze touched none of these. This was the first time in the history of the Louvre that the firemen were called to measure the public, would all the water and sawdust could be cleaned up and the pictures returned to the Louvre.

1913: Reply to Russia

ST. PETERSBURG — The Russian Government proposed to the United States to renew the treaty of commerce denounced by the United States apropos of the incident connected with passports of Jews travelling in Russia. President Woodrow Wilson has replied that he would only accept the proposition if the condition that American Jews be allowed to enter freely into Russia.

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مكاتبنا في عمان

OPINION

Newspapers, Boringly Clean, Have Forsaken the Unwashed

By Jim Fain

WASHINGTON — Sometime in June 1938 I got a job as a newspaper reporter. After 50 fun years, here are a few curmudgeonly sentiments on the state of the press, then and now. I will concentrate on the significant. As a result we lost circulation and, worse, intensity of readership. We destroyed our most valuable asset: the interactive bond with readers which produced a unique chemistry. When we were vital, there was a low-hate relationship that maintained mutual respect. It's mainly gone, alas. As the number of papers dwindled in America, those perceiving themselves most reverently as supra-governmental institutions became the industry model. Iconoclastic owner-publishers died off, to be replaced by bureaucrats vying for trade association chairs, slavishly copying each other's "products," gloating in the attentions of the powerful and willing to sell their mothers for the key to the men's room of the ruling Eastern elite (New York Times, Washington Post, Wall Street Journal). This access is not, however, for sale. The satraps are too shrewd to share. Television has a vital role in journalism but it complements print. Newspapers shot themselves in the foot, led by egotists who forgot what we are about. The First Amendment gives us unique freedoms not because we are fair-haired or even just but because we have an indispensable service to perform. It is to ingrain readers with the information they must have to make democracy work. This process is incomplete until we make the information compellingly interesting and easily understandable. It can't be done with wordy, woolly esoterica. The only hope is to reach honestly and humbly for linkage to the public's nervous system. Cox News Service.



LETTERS TO THE EDITOR

Sanctions Debate Is Full of Folly and Wishful Thinking

Regarding "Now a Season of Opportunity for Southern Africa" (Opinion, June 14): Anthony Heard assumes that the Afrikaners, led by President Pieter W. Botha, is both rational and democratic. History says otherwise. The Afrikaners are a prime example for Barbara Tuchman's book, "The March of Folly"; Pretoria meets all the criteria of a government pursuing policy contrary to self-interest. Mr. Botha's mandate to govern comes from a small percentage of the population. Power-sharing is not in the nature of the Afrikaners. One pretext for the Anglo-Boer War was the refusal to franchise a minority of English-speaking citizens, the *Uitlanders*. Angola and Namibia will be South Africa's Vietnam if the Afrikaners continue to ignore United Nations Resolution 435 — which calls on South Africa to end its rule of Namibia — and try to hold on to the spoils of World War I. If the Afrikaners continue to destabilize and beggar the 75 million Africans in southern Africa in the selfish interests of 2.5 million Afrikaners, history will make the decisions, not a Botha-led oligarchy. [Name withheld], Paris. To oppose sanctions against apartheid on the grounds they will promote economic growth in South Africa, as The Washington Post does ("No to New Sanctions," Opinion, June 16) is wishful thinking. The three decades beginning in 1945 saw relatively rapid economic growth in South Africa and also the rapid growth of apartheid doctrine and practice. While black employment grew, black/white in-

come differentials did not narrow. In this decade, the decline in wage differentials, the modest (and now largely reversed) increases in the black trade unions' room to act and in the discussion by whites of real reforms, have come during a period of virtually no increase in output per person. Domestic black pressure, a hostile world economic environment and governmental and business sanctions have caused these changes. With less economic room for maneuver, the apartheid establishment has become more willing to concede real economic ground and to attempt to restructure apartheid politically while retaining a white monopoly of force, of political decisions and of central economic power. By reducing the economic (and thus military) power available to the apartheid regime, sanctions can contribute to reducing the time and lives lost before that regime agrees to a transfer of power to a new system. Sanctions cannot cause this — only black South African action can — but they can contribute to it by reducing the resources available to sustain apartheid and by showing that South Africa's variant of "Western Christian civilization" is seen to be neither civilized nor Christian by the West. REGINALD HERBOLD GREEN, Lewes, England.

'Hi, I'm Jim,' They Tell Me; I Want to Reply, 'Buzz Off'

By Richard Cohen

WASHINGTON — It's a miserable day, raining cats and dogs. I'm in a miserable mood, a thousand things to do and a plane to catch in the afternoon. I have overslept and oow I am trying to do two hours' worth of errands in one, pushing the car through traffic, looking for parking spaces and running in and out of stores. At each one, I am forced to lie. "How are you today?" every clerk asks. "What business is it of yours? I want to say, All I want is a shirt, a tie, my dry cleaning, a container of orange juice. I do not want to tell a perfect stranger how I am. To the first place, it's none of his business. In the second place, I know he doesn't care. All he wants is my money. "How are you?" he asks. "Fine." I lie. "Fine." I hate it. Whatever happened to "hello"? It was such a wonderful word. "Hello, Hello." Perfect. It was just a greeting. "Hello, Hello." I liked "Hi," too, but "Hello" is my favorite. It's such a nice way of saying "Welcome" or of getting someone's attention ("Hello! What's this, Watson?" said Sherlock Holmes.) "Good morning" is fine, and so is "Good day," but "Hello" is my favorite. It's so easy on the tongue, so absolutely neutral — just a way of saying, well, hello. Try it: "Hello, Hello." But the best thing about hello is that it's honest. It is wood, not plastic, real cream, not some chemical confection. It does not require a lie in response. When I am asked, "How are you?" the response "Fine" is often not true. I am usually out fine. In fact, I have not been fine since 1949, and there are days when I am downright miserable. Sometimes I say just that: "Miserable." Do these sincere clerks even listen to my response? No. Usually they say, "That's good. May I show you some ties?" Only sometimes — every once in a great while — one of them will actually pay attention. I answer "Miserable," and something happens to his face, something totally inappropriate. It doesn't drop. It lights up. It beams. You know why? Because then he tells me his problems — customers that have given him a hard time, the travails of retailing. I should write about it in the newspaper, he will say. I think, do not compare your problems with mine. Mine are cosmic, gargantuan, complex. But I don't say that. I listen. I am a saint. I also hope for a discount. The question "How are you?" is yet another reflection of the false sincerity infecting America. The more atomized society gets, the more we opt for synthetic sincerity, a kind of verbal Muzak that plays in the stores, the white noise of retailing. How's it going? How are you? It is one thing when a clerk who knows asks "How are ya?" because in that case there is an outside chance he may really care. I know clerks who have been serving me for years. They know me. They know my son, and some of them even ask about my car (I'm fine, my son's fine, but the car, alas, is a generer). But anonymous clerks? Who wants to tell them? Buzz off. I'll give you a variation of this false sincerity. "Hi, I'm Jim," the waiter says. Can I say, "Who cares what your name is, fella? Just bring me a drink." No. I have to treat him like a friend, a pal. "Hi, Jim. How-are-ya? Richard's the name, journalism's the game. My sign is Aquarius. Sit down, Jim. Can I bring you something?" The little lies, the squalid little pretenses, add up. It's like a drizzle of insincerity — an entire nation (trained to be Marriott hostesses, millions and millions of faceless people asking me over and over again how I am. I'll tell you how I am. I'm sick and tired of being asked the question. I want the entire country — to go back to saying "Hello." Hello, hello! Is anyone listening? Washington Post Writers Group.

Congress Is No Innocent Bystander

In the 1950s, the liberal academy and its acolytes in the American press concluded that the U.S. system of government had two flaws. One was the doing occupant of the White House, Dwight Eisenhower, who was allowing presidency to wither away. The other Congress, a backward, obstructionist mob of Democrats and isolationists. The solution was simple: a vigorous big president who would restore the seat to its rightful place as the center of national action, power and authority, relegating Congress to its proper role as a compliant junior partner. John F. Kennedy seemed to fill the bill. His grave was still fresh when a new dom began to take hold in the press: nation was threatened by an "imperial presidency." It launched the nation Vietnam and carried out the Watergate conspiracy. Later it perpetrated Iran-contra affair. Congress, in all

prosecution under state-of-emergency laws, avoided calling for a strike — which would have meant withholding labor — on the anniversary of the 1976 Soweto uprising. Blacks face this kind of circular reasoning: Withhold your labor to bring about change, but if you withhold (or advocate withholding) your labor, you will be imprisoned. JOSEPH SELMORE, Paris.

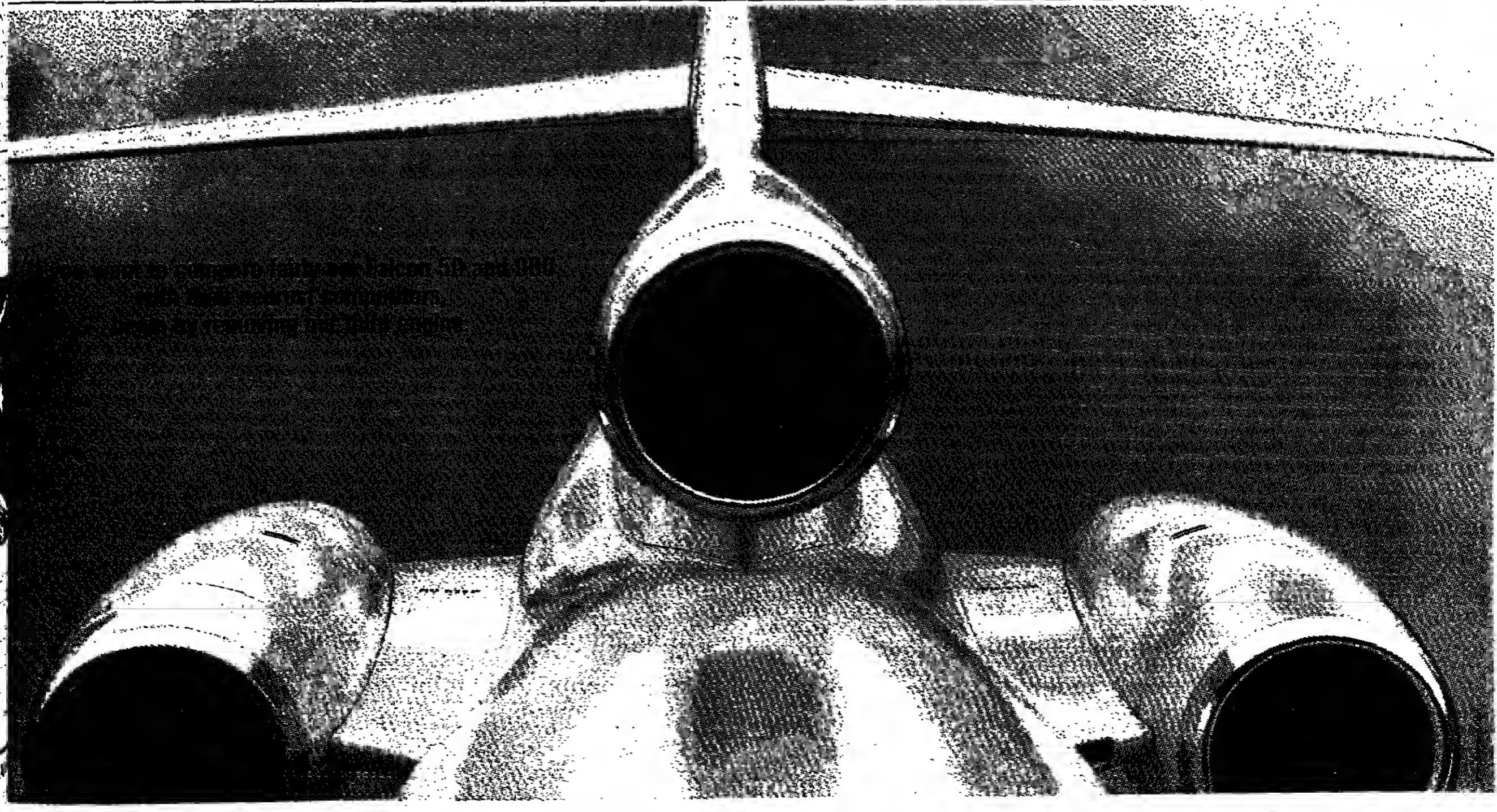
How can anyone "appreciate" South Africa's press restrictions, as Cynthia Coetzee (Letters, June 8) claims. She writes that "naturally these restrictions are not accepted by those who want the world to think the situation in South Africa is deteriorating." To the contrary, we don't want these restrictions because we want to show the world the institutionalized violence and brutality of the racist white government of South Africa. H. KGABO, Vichy, France.

Once again a much-quoted warning from A. M. Rosenthal ("When Kissinger and Vance Take the Same Pen in Hand," June 8), Mikhail Gorbachev, President Reagan's own "friend," is determined "to protect Soviet interests abroad." These include keeping in bondage the nations of Eastern Europe. To millions of victims abandoned to Stalin in Tehran and Yalta, the Moscow summit meeting was "Yalta '88," another tacit confirmation of the Soviet sphere of influence east of the Elbe River. S. GROCHOLSKI, Hamme-Mille, Belgium.

Reagan at 'Yalta '88' Once again a much-quoted warning from A. M. Rosenthal ("When Kissinger and Vance Take the Same Pen in Hand," June 8), Mikhail Gorbachev, President Reagan's own "friend," is determined "to protect Soviet interests abroad." These include keeping in bondage the nations of Eastern Europe. To millions of victims abandoned to Stalin in Tehran and Yalta, the Moscow summit meeting was "Yalta '88," another tacit confirmation of the Soviet sphere of influence east of the Elbe River. S. GROCHOLSKI, Hamme-Mille, Belgium.

Regarding "It Is, of Course, a Matter of Offense and Defense" (Sports, June 15): Last year you claimed Sean Kenny (stage designer) as British. You claimed Colin Wilkinson (actor/singer) as British. Now you claim that much of the Irish soccer team (which beat England) is in fact made up of "second-choice Englishmen." Enough is enough. Accept this letter as a symbolic gauntlet and choose your weapon. (P.S. Thanks for leaving us Stephen Roche and Sean Kelly.) NOEL CODY, Dublin.

Neither Hide Nor Glorify Regarding "Official Nazi-Era Painting: Is It Kunst, Kitsch or Just Junk?" (May 24) by Serge Schmemmann: It is understandable that the public is interested in seeing art created during the Nazi period in order to make judgments regarding its content and quality. Therefore, I would agree with Peter Ludwig's argument that it is time to stop trying to hide 12 years of German history. But Mr. Ludwig's personal actions should be viewed in a different light. It is one thing to present an exhibition of works created for the Nazi regime; it is quite another to commission Arno



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keep in mind the importance of the on-board electronics of a long-range aircraft. Objectively speaking, the security offered by the three-engine Falcon is comparable to that of commercial airliners, not of other corporate jets in their class. This is of course why executives prefer the Falcon 50 and 900.



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Business takes off with Falcon.

Luxembourg's New Challenge

IN THIS REPORT

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The October stock market fall has not slowed the boom in Luxembourg's investment funds business.

Insurance 9

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Luxembourg is trying to attract middle-class private banking clients by emphasizing its lower fees and tax advantages.

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Economy 11

Luxembourg's concentration on special markets segments includes an ambition to become a center for a satellite-based television industry.

Tax Policy Survives Ministerial Review

'Harmonization of tax policy is no longer an issue. It won't happen.'

By Edward Roby

FRANKFURT — Key cabinet ministers of the European Community concluded their recent meeting in Travemünde amid scant public interest in their home countries — except in Luxembourg, where the future of Europe's No. 3 international financial center hung on the outcome.

The Travemünde ministerial meeting was only a prelude to the EC summit in Hannover, where crucial decisions were expected on the economic integration of 12 West European countries. But for Luxembourg, it turned out to be a victory that could make even the coming summit meeting anticlimactic.

The ministers decided against making uniformity in taxation policy a prerequisite for achieving the EC's 1992 goal of internal market integration with unrestricted capital transactions across borders. This should permit the Grand Duchy to retain many of the advantages that have attracted around 112 foreign banks, including the dominant contingent of 30 from West Germany.

Jacques Santer and Jacques F. Poos, the top government ministers who also handle finance and foreign affairs, briefed members of the banking community on the good news from Travemünde. The EC ministers agreed, bankers were told, that there would be no linkage of taxation with liberalization as long as Luxembourg and Britain opposed this.

"Tax harmonization is no longer an issue. It won't happen," said Eckehard Storck, managing director of Deutsche Bank Luxembourg S.A., the center's leading foreign bank.

"There's no linkage between liberalization and taxation. They are two different things," concluded Hans-Ludwig Jordan, managing director of the Luxembourg Bank für Gemein-

wirtschaft. "That means: no disadvantage for the financial center, no inspections and banking secrecy remains intact."

The German bankers in Luxembourg insist their financial center has so many built-in advantages — ranging from infrastructure and location to expertise and sensible banking oversight — that no one is interested in creating a tax oasis in the heart of the EC. They prefer to stress the obvious benefits Luxembourg banks derive from unfettered money and capital flows.

"I think the Luxembourg government itself will avoid letting it become a tax oasis," said Volker Burghagen, managing director of Compagnie Luxembourgeoise de la Draisiner Bank AG, which began doing business in the Grand Duchy 21 years ago as the first German Euro-bank. "One cannot make the neighbors envious."

This won't be easy, judging from what has just happened in West Germany where the government stunned bankers, investors and small savers by unveiling plans for a 10 percent *quellsteuer*, a tax on interest earnings at their source. The German banks in Luxembourg now find themselves among the principal beneficiaries of the ensuing flight of capital from the home country.

"It's no secret that there has been a capital movement of some size out of West Germany," Mr. Storck said. "This money is seeking investment in Luxembourg and also in Switzerland, partly because of uncertainty."

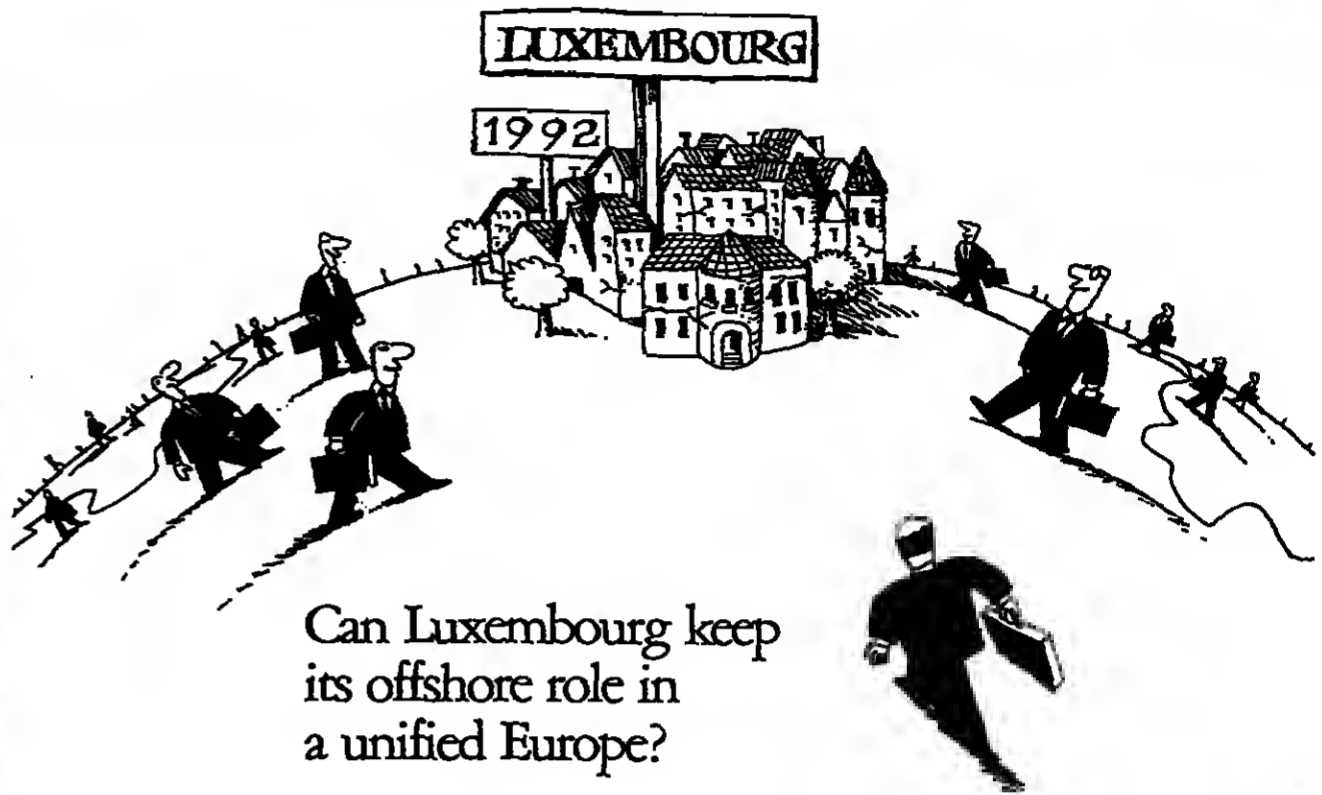
German bankers, convinced that the quellsteuer apparatus could cost as much money as it generates while damaging banking confidentiality, suspect their government might reconsider the idea. But the development comes at an opportune time for Mr. Storck's bank, which began for the first time last year offering its services to wealthy private customers.

The bank last year also launched a bond investment fund called Eurorenta that is already managing assets that have reached 4 billion Deutsche marks (\$2.3 billion), making it the fifth largest of its kind in West Germany.

Mr. Storck said the new private banking business, which has been intensively advertised in West Germany, has attracted between 1,300 and 1,400 customers, each with a minimum deposit of 500,000 marks, and he described business so far this year as "very good."

Private banking and the associated proliferation of investment funds have become an important growth impulse for the Luxembourg

Continued on page 8



Can Luxembourg keep its offshore role in a unified Europe?

1992 vs. Competitive Edge

By Madlyn Resener

LUXEMBOURG — As a founding member of the European Community, Luxembourg, with a population of 380,000, has long been among the most enthusiastic supporters of a unified Europe.

But as a banking center, Luxembourg has gone its own route; for the past two decades it has attracted banks with special incentives, such as a low reserve requirement, and lured investors with its lack of a withholding tax on capital gains and its bank secrecy laws, the tightest in Europe.

Now, Luxembourg is facing the question of how to go along with European Community plans to set up a frontierless European market by 1992 and at the same time keep its special role as an offshore banking center within the EC.

The official line in Luxembourg is that 1992 can only bring good things to the country. Now

that obstacles to the free circulation of capital are being abolished and Europeans can place their money wherever they like, say bankers and government officials, more money will flow into Luxembourg because of its sophisticated banking and financial expertise.

There is some truth to this argument, but it isn't the whole story. The stickler for Luxembourg is that EC ministers in Brussels are considering a range of proposals that could make Luxembourg a decidedly less attractive place for investment.

One is for a pan-European effort to crack down on tax fraud either through the imposition of a universal withholding tax or through new pressures on banks to disclose information about their clients. Another is a possible value added tax on gold transactions, which Luxembourg, alone among the EC member states, does not currently have.

Such changes would shake the foundation of banking in Luxembourg. Though bankers and government officials deny that their country is a tax haven, the fact remains that Luxem-

bourg's tight secrecy laws help attract investment. And the country is not likely to give them up without a fight.

Treasury Director Jacques F. Poos said bank secrecy is guaranteed by Luxembourg law and has recently said that the government does not plan to weaken it. "For years there have been attacks on our law and there will continue to be attacks. But we believe that bank secrecy as it is practiced here conforms to concepts of democracy and liberty better than more coercive and bureaucratic systems," he said.

He added that this doesn't mean Luxembourg isn't ready to cooperate more closely with other European authorities in cases of suspected criminal banking activity, but that Luxembourg will never agree to compulsory disclosures on bank accounts.

As for a withholding tax on interest, that, too, is out of the question, Mr. Poos said. He noted that any harmonization of tax rules will

Continued on page 9



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Key figures for the 1987 financial year in millions of francs

The balance-sheet total amounts to Flux 369,887 million as compared to Flux 320,210 million in the previous financial year; this represents an increase of 15.51%. Within this, it is appropriate to draw attention in particular to the growth in customer deposits of 22.38% in this the Bank's 131st financial year.

As regards net profit, after allocations to provisions and depreciation, BIL recorded a rise of 32.29% as against 28.20% in 1986 and, for the first time, broke the barrier of 1,000 million Luxembourg francs.

This sharp rise in net profit was achieved after making substantial allocations to provisions. Among the latter, provisions for risks in respect of countries experiencing balance-of-payments difficulties are now far above the international average.

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	1985	1986	1987
Balance-sheet total	279,300	320,210	369,887
Customer deposits	205,875	235,350	288,010
Deposits of banks	42,825	49,573	43,689
Customer advances	65,658	78,638	82,567
Own resources, provisions and borrowed capital	18,923	23,624	27,050
Gross cash-flow*	4,221	4,582	4,363
Net profit	645	827	1,094
Distributed profit	357	472	607
Net dividend per share	fr. 335	fr. 380	fr. 430

* Net profit plus taxes on profits plus depreciation and provisions less earlier provisions released.

1 £ = 65.95 Flux (May 8th, 1988)

If you would like to have a copy of the Bank's annual report in French, English or German, do not hesitate to contact our head office in Luxembourg or one of our branches.



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Unified EC '92 Poses Challenge

Continued from page 7

A unanimous decision from EC members that changes are certain in Europe after 1992, by which time the EC countries have agreed to remove all barriers, such as exchange controls, to further free capital movements within the 12-nation bloc and allow banks to operate in any member state on a single license.

Last week EC ministers agreed to allow free circulation of capital throughout the community. Under the directive, to be implemented in 1992, EC countries beginning in 1990, EC nationals will be able to open bank accounts or borrow money anywhere in the community. The rule will be applied in the four "cooper" countries later: in Spain and Ireland in 1992 and in Greece and Portugal in 1993. While no one is counting on complete tax harmonization in the EC, indirect taxes, such as the value-added tax and taxes on corporate profits, will be adjusted to smooth out differences, while direct taxes, such as those on capital gains and inherited wealth, will probably be left untouched. Other possible changes include a central monetary authority, a single currency and harmonized interest rates.

Paul Schmitke, managing director of the independent Rheinland-Pfalz in Luxembourg, said that 1992 "is a non-event for me."

"Luxembourg is a very sound financial place which has never built its business exclusively on tax advantages. We have a natural base of business here, and that has no reason to change," he added.

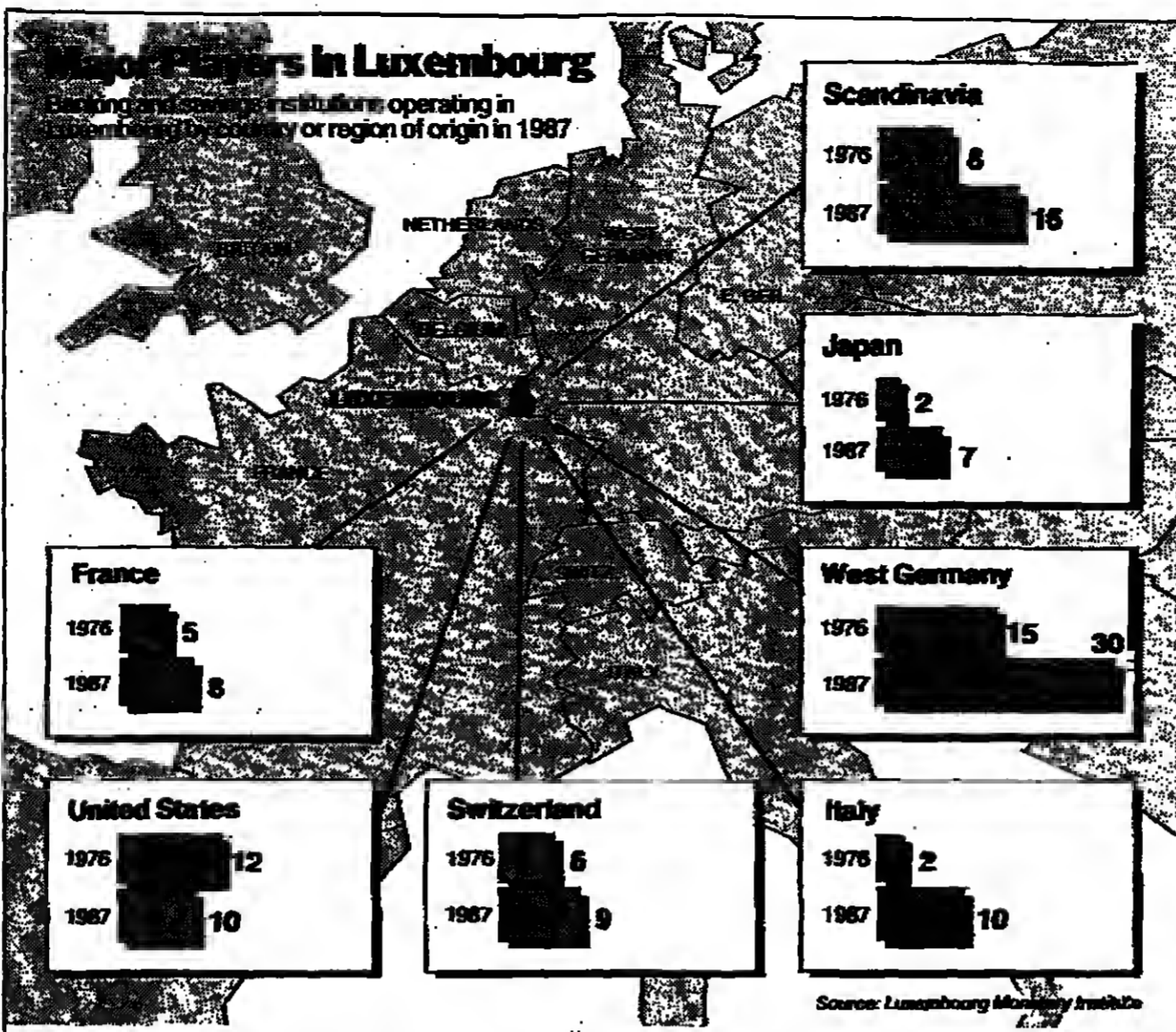
Mr. Schmitke noted that West Germany has recently relaxed some of its banking regulations, such as lowering the minimum reserve requirement, but Luxembourg still offers banks more freedom. German law makes trading in currency options highly risky for banks, for example. And West Germany has just introduced a 10 percent withholding tax on interest and capital gains.

Volker Burghagen, managing director of the company Luxembourgische de la Dresdner Bank AG, said, "Big, international wholesale business and big private investment banking will continue to go to Eurobanks in Luxembourg, which have the experience and know-how that a commercial bank in upper Bavaria just can't offer."

Luxembourg will retain an advantage over other EC countries because of the absence of a minimum reserve requirement, which, along with a favorable legal environment, attracted German and other international banks to the Grand Duchy in the first place, Mr. Burghagen said.

Phu Pham, managing director of Credit Lyonnais in Luxembourg, said, "One of Luxembourg's strong points is its political and economic stability and the business sense among its civil servants."

"Contacts with authorities here are easy,"



said Jean Krier, a senior executive vice president at the Banque Internationale à Luxembourg and president of the Luxembourg Bankers Association. "You don't have to move through intermediaries. You can get the financial minister directly on the phone."

This consensus that the financial sector is a vital part of the country's development should help the Grand Duchy attract a big share of the expanded European capital market that Mr. Pham and others expect to see in 1992.

Luxembourg's new directive on investment funds is one example of the country's flexibility, bankers say. The directive is the first in Europe to establish a flexible legal framework for funds, and it anticipates 1992 by allowing operators to market into other EC countries.

Damien Wigry, executive director of Kredietbank Luxembourg, said, "The new law shows that we can go fast and adapt ourselves quite quickly when we need to."

Many bankers expect Luxembourg to agree to some kind of tax harmonization, but they believe that tax rates will still vary from one EC country to another, much as they do from one Swiss canton to another. In that case, Luxembourg could impose a VAT on gold transactions, but make it lower than other countries

in order to keep a competitive edge, bankers say.

But others fear pressure from other EC countries will continue to rise.

"They are bound to ask the question, in a unified Europe, why should one country be allowed to have bank secrecy?" said a Scandinavian banker. "They will argue that tax authorities in one country should have access to all other countries in the Community."

According to this banker, Luxembourg government officials, in an effort to play down the issue, have asked banks not to use Luxembourg's bank secrecy laws and its lack of withholding tax in their advertising brochures to private clients.

Bankers agree that the EC needs a financial center like Luxembourg and warn that it would be rash for EC officials to try to change things.

"If they do, the money will simply leave the EC and go to Switzerland, the Bahamas, the Cayman Islands or Liechtenstein," noted one banker.

So far, that seems a long way off. The best proof that Luxembourg is likely to remain an important banking center is the increasing interest shown by foreign banks in setting up operations in the country. Attracted by new opportunities in private banking, Amro of the Netherlands recently became the first Dutch bank to arrive, while TSB Group of Britain set up the first British shop with the establishment of TSB Private Bank International in January.

The number of banks registered in Luxembourg rose from 127 in December 1987 to 133 in June, and four applications, from banks in Belgium, France and West Germany, should be approved soon.

Total bank assets stood at 8.95 billion francs (\$2.6 billion) at the end of March, a 13 percent increase over March 1987. The financial sector now represents 25 percent of the Grand Duchy's government revenues and employs 12 percent of the working population.

Luxembourg authorities are preparing even more incentives to banks, such as a reduction of the corporate tax to 36 percent this year. To meet a shortage of personnel, particularly middle managers, the government has eased requirements for working papers and set up postgraduate management training programs. All of this makes bankers confident that 1992 will bring new business to the country.

MADLYN RESENER is a financial journalist based in Paris.

Grand Duchy Attracts Reinsurance Captives

By Jacques Neher

LUXEMBOURG — Efforts begun four years ago to establish Luxembourg as a center for captive insurance companies in Europe appear to be paying off.

Though the new industry employs relatively few people, it promises to provide a rich source of tax receipts for the government by the mid-1990s.

The business began developing after a law was enacted in 1984 that established the possibility for industrial companies to create captive reinsurance companies in Luxembourg.

In such a way, the companies could partly self-insure, indirectly paying much of their premiums for business risks, such as fire and business interruption, to their own captive insurance subsidiary, instead of to an outside insurer.

There are now 67 reinsurance captives registered in Luxembourg, almost double the 34 such companies at the end of 1986, according to Victor Rod, the Grand Duchy's insurance commissioner.

The companies put up a combined 4 billion Luxembourg francs (\$1.2 million) in paid-up capital, and they have already contributed 12 billion francs to 15 billion francs more to their captives in premiums, he estimated.

Mr. Rod said five applications to establish captives are under consideration, and he predicted another 10 to 15 applications would be submitted this year.

"We're first targeting Western Europe," Mr. Rod said, estimating that there are about 200 companies large enough to benefit by creating a captive. A company paying insurance premiums of more than \$2 million, he said, would be of sufficient size.

Ultimately, he said, "there is no reason why American and Japanese companies should not also be interested."

Many American companies have similar operations in Bermuda, which has about 1,500 captives.

This month, representatives from 300 European companies attended a seminar on captives sponsored by the government as part of its marketing program to boost the sector.

The main selling points, Mr. Rod said, include Luxembourg's central location in the European Community; the country's social and political stability; a strong banking community that can provide support services, multi-lingual facilities, absence of exchange controls and the possibility of using currencies other than the Luxembourg franc.

"Our main concern is to attract a high-standard client," he said. "We're not seeking quantity."

He noted that Luxembourg law requires a reinsurance captive to put up a minimum paid-up capital of 50 million francs — about 10 times the minimum for a captive in Bermuda. In addition, the company must have a Luxembourg-domiciled risk manager.

"We wanted to avoid the establishment of mailbox companies," Mr. Rod said.

In reality, the captives operating in Luxembourg don't manage their own risks, but subcontract the business to a third-party risk management company.

There are now 10 such management companies operating. The first to set up business, in 1984, was Stockholm-based Sinsar, whose major client was Electrolux of Sweden. Since then, Sinsar has become a reinsurance risk manager for 25 other companies, most of them Swedish.

The industry promises to provide a rich source of tax receipts by the mid-1990s.

according to Ralph Tellov, the managing director.

Mr. Tellov said that the government's goal of 200 captive reinsurance companies in Luxembourg is attainable.

"Four years ago, we never thought we would have more than 60 companies here four years later," he said.

Mr. Rod said that the captive industry in Luxembourg employs fewer than 100 people, but he projects huge benefits in the 1990s to the country's treasury.

Under the insurance legislation, captives are permitted to put premium income, and earnings on that income, in a special tax-free reserve to cover future losses. Taxes kick in only after the fund grows to at least 12.5 times the average annual premium income. For some risks, the fund could remain tax-free until it reaches 20 times the annual premium income.

In operation, an industrial company seeking to establish a captive reinsurance company must get its primary insurer to agree to hand off a portion of the risk — and the premiums associated with that risk — to the captive. The captive's manager then usually assigns a portion of that remaining risk to yet other reinsurance companies, while working with the industrial company's treasurer to invest the premiums retained.

While working to bring in more captives, Mr. Rod said he is "exploring other niches" — such as pension funds — that Luxembourg could exploit in the future. There are currently no pension funds domiciled in Luxembourg.

JACQUES NEHER, a journalist based in Paris, is a regular contributor to the International Herald Tribune.

Early Rev

CONSOLIDATED ACCOUNTS

INTERNATIONAL BANKERS INCORPORATED S.A. AND SUBSIDIARIES

FINANCIAL HIGHLIGHTS 1987

Consolidated Balance Sheet (in million US\$)	1987	1986
Deposits with banks	195.8	182.7
Loans and Advances	1,176.9	540.3
Securities Portfolio	39.8	34.0
Total Assets	1,539.6	822.2
Bank Deposits	690.7	308.7
Customer Deposits	581.8	355.9
Capital Resources (including Minority Interest)	177.5	123.9
Of which:		
Share Capital and Subordinated Debt	129.5	100.0

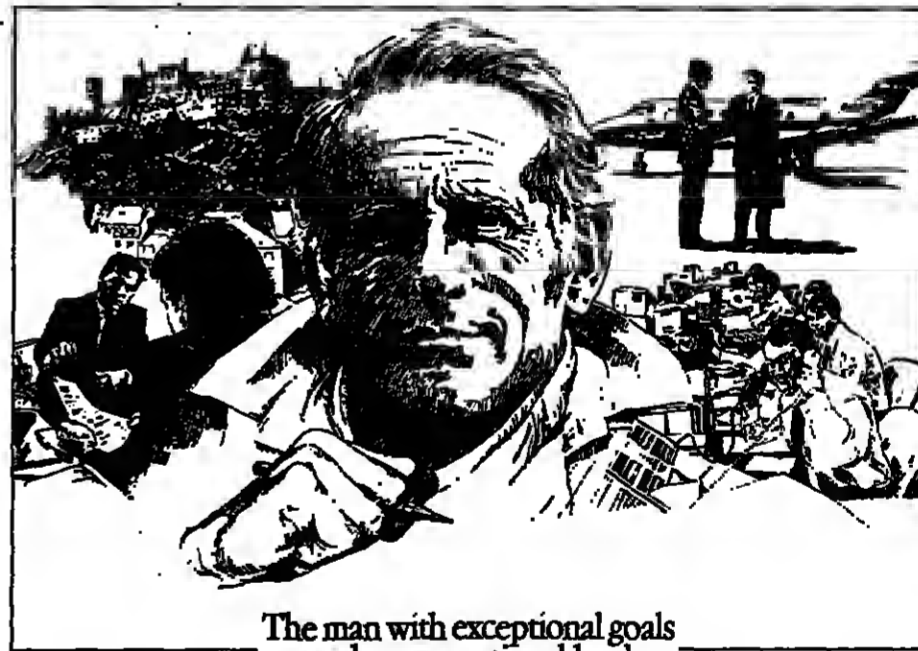
The figures of International Bankers France are included for the first time within the consolidated accounts of International Bankers Incorporated S.A.

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The Economy ■ Doubts in Milan

Italian Investors Wary

By Dalbert Hallenstein

MILAN — After 12 uncertain months, Italian bankers in Luxembourg say that their continued presence on the market depends ultimately on the Italian economy's continued expansion.

turn in requests for loans. This is particularly true of middle-sized companies that now cannot raise finance through the issuing of bonds and are increasingly turning to the raising of syndicated loans.

"One could safely say that what has been lost on the bond market has been compensated for in the issuing of loans," said a banker who refused to be identified.

Many members of the Italian banking community in Luxembourg have also noted that an increasing number of middle-sized companies are seeking medium-term loans through the Luxembourg-based Italian banks for purely financial reasons, such as for capital increases, rather than for productive investments in new plants or technology.

But despite the relatively bad performance of the banks on the Luxembourg market over the past year, one of them has complained of an actual downturn in business turnover, only of a leveling off of expansion and of a certain "stability."

And, significantly, other Italian banks are trying to open branches in Luxembourg, confirming a solid confidence in the future of this financial center.

"There are two or three leading Italian banks," said Pierre Gramigna, an official at the Luxembourg Foreign Ministry, "who would open here tomorrow if it were not for the restrictive policy of Italy's central bank, the Bank of Italy, which is still successfully trying to keep them at home, but we hope this will all change in 1992."

Complaints about the restrictive policies of the Italian monetary authorities are also common in Italian banking circles in Luxembourg.

"A certain liberalization by the government of the movement of money abroad is now under way," said Mr. Patrone of the Istituto

San Paolo. "But remember that, despite liberalizing measures taken over a year ago and then again in June 1988, Italians still have to pay a 30 percent tax on interest earned abroad, and this is a real discouragement to investing in foreign shares or bonds."

He and other Italian bankers expressed some doubt as to the real commitment of the Italian monetary authorities to liberalizing the free flow of capital by 1990.

"I doubt that it will abolish the tax discouragements to foreign investment" before then, he said.

Meanwhile, the Luxembourg authorities are continuing to press ahead with their program for the diversification of the Grand Duchy's general economy through the development of sophisticated small and medium high-technology industries and of service activities such as transport and telecommunications.

Clearly Luxembourg, in the light of the 1992 liberalization deadlines of the European Community, has no intention of depending solely on its financial markets.

In June, the heir to the Grand Duchy, Prince Henry of Nassau, led a delegation of industrialists and experts to northern and central Italy to promote Italian investment.

Of particular interest to Italian investors is Luxembourg's planned launching of the Ariane telecommunications satellite. Europe's first commercial, private television satellite, which will offer 16 separate television channels in several languages. Coverage will take in 90 percent of the consumer purchasing power of Western Europe.

DALBERT HALLENSTEIN, a journalist based in Milan, is a contributor to The Sunday Times of London.

From Steel to Satellites, Planners Play Niches

By Jacques Neher

LUXEMBOURG — Like a small company that prospers by concentrating on special market niches, Luxembourg, too, is coping by playing the niches. The economy is among the strongest in the world, and much of it can go to government planners who sought out and then developed niches for Luxembourg's steel and industry.

Proceeding over the past decade with a restructuring of the steelworks — the backbone of Luxembourg's industry — throughout this century — the government has focused on banking, insurance and financial industries as fields in which Luxembourg could specialize.

As a result, this country of 400,000 inhabitants has almost no unemployment and no inflation. The jobless rate, according to survey Director Jacques F. Wagner, is only 1.5 percent and is to drop further this year.

Yves Wagner, an economist with Banque Générale du Luxembourg, predicts similar gains for 1988. "I don't see a lot of things changing," he said, noting that the boom in mutual funds has done much to prop up bank profits.

The number of mutual funds domiciled in Luxembourg has grown steadily since 1983, when there were 99 such funds totaling 303.3 billion francs. In 1987, there were 121 new funds established, bringing the total to 382, with combined assets of 1.112 trillion francs.

A Luxembourg Monetary Institute official said that most of the actual fund management is still done in London and other financial centers, but he said a growing portion is likely to be handled here as expertise grows.

Banking and related financial services employ 10.3 percent of Luxembourg's 170,000 workers, compared to less than 1 percent in 1947, according to George Als, director of State, the government statistics office. However, the sector contributes 13.5 percent to the country's gross domestic product.

"The most explosive phase is behind us," Mr. Als said. "The sector's growth will be slower from here on."

He noted the rising employment curve of the financial institutions and the declining curve of the steel industry intersected last year at around 12,000 jobs.

Arbed, whose employment peaked in 1974 at around 29,000 workers, now has only 11,500 at its Luxembourg steelworks, and that figure is set to be thinned to 10,000 by 1990.

The company, which returned to profitability in 1984 after losing 16 billion francs between 1975 and 1983, is expected on Friday to report losses for 1987 due to weak steel prices and poor demand in its export markets. However, analysts believe a strengthening in prices will help profits bounce back in 1988.

The government, which played a key financial role in Arbed's restructuring, now owns 32 percent of the company's capital, against only 2 percent before the restructuring. Société Générale de Belgique, the giant Belgian holding

company, is the largest private shareholder, with 25 percent.

In the longer term, Arbed may face further restructuring, even a total retreat from primary steel-making, as its domestic sources of iron ore runs out by the year 2005.

While industrial output fell 1.1 percent last year, due mostly to Arbed's performance, the country's building and construction industry soared by 15.6 percent, and Mr. Wagner said the strong demand in the sector, particularly for new housing, should continue throughout 1988.

Meanwhile, Luxembourg is hoping to become a center of satellite-based television industry.

The Société Européenne des Satellites (SES), a multinational joint venture based in Luxembourg, hopes to place its 16-channel Astra television satellite in orbit this November via an Ariane 4 rocket. SES, founded in 1985, has had to push its launch back because of Ariane's technical problems over the past two years.

The satellite would beam programs in several languages direct to homes with special receiving antennas throughout most of Western Europe.

Most of the actual programming will be produced in other countries by companies leasing transponders on the satellite. Nevertheless, the venture could provide a big boost to the government's efforts to make audiovisual one of the country's more important niches for the future.

"We're well situated to play a central role in the domain of audiovisual, just as we have in financial services and steel," Mr. Poos said.

SES, which has raised 7 billion francs from its 11 shareholders and loans, earlier this month signed contracts to lease out the first three of the satellite's transponders to Sky Television, which plans advertising-supported programming. Sky Television has also taken an option on a fourth transponder.

Also giving the project a boost was the announcement at the same time from Amstrad Consumer Electronics PLC that it would market an antenna and receiver system that could capture Astra's signals for as low as £199 (\$338).

The Astra satellite station in Betzdorf, above left; the recently restructured Arbed steelworks, the backbone of Luxembourg's industry, above.

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In September Banking, finance and government leaders in Asia, Africa, Europe, the Middle East and the Americas will turn their attention to the IMF/World Bank General Meeting in West Berlin. But first, they'll turn to The International Herald Tribune. The International Herald Tribune is required reading for leaders in international affairs and finance around the world. And at the IMF/World Bank General Meeting, additional copies will be specially distributed to the people you most want to reach.

ARTS / LEISURE

The Art Of Type



Hand-cut typefaces carved at France's national printing office, formerly established in 1640.

By Barry James International Herald Tribune PARIS — France's national printing office, L'Imprimerie Nationale, churns out millions of tax forms, telephone directories, passports, driver's licenses, hunting permits, identity cards, treasury bonds, examination papers and the other appurtenances of a modern state; but behind its stern officialdom and industrial bustle it has a soul.

Making books by hand also entails hand carving of the punches from which the type is produced — a lost art almost everywhere else now that computers can design and copy typefaces cheaply and fast. But ac-

counting to Christian Paput, Jacques Camus and Nelly Gable, who believe they are the last of the world's full-time type engravers, books set with computer-designed characters lack individuality.

The slight irregularities of hand-cut typefaces, Paput said, give a page a variety that makes reading easier on the eye. They are sharper, too, he said, making it possible for a person with normal eyesight to read even very small type without a magnifying glass.

But these advantages alone are not reason enough to keep alive the fine books workshop in the midst of an organization that earns more than 99 percent of its income from its industrial production.

"We do it because it's a way of keeping our cultural heritage," said Michèle Kespi, a spokeswoman for the printing office.

The printing office has a unique collection of 92,000 steel type punches — unique in that the collection is still in regular use to produce type both for a wide range of Latin faces (such as the one in which this article is printed) and for virtually all the world's written languages that do not use Latin characters.

belongs cannot be used unless a replacement is made for the missing letter. In order to keep the collection alive, the three punch engravers spend most of their time cutting replacement characters from blocks of steel, a process that can take several weeks for each letter.

As a mark of its determination to preserve the typographic arts, the government two years ago also set up a small design workshop to continue a tradition going back to the earliest years of printing in France.

Some of the world's most familiar typefaces have originated in the printing office: Garamont, Grandjean, Luce, Didot, Marcellin-Legrand, Jaugeon and Gauthier. Grandjean, also known as *Romain du Roi*, was designed on the orders of King Louis XIV, and represented monumental elegance in book design. Luce was developed in the 18th century, originally based on the collection in the printing office, but later, in a more compressed type, developed on the orders of Napoleon and based on the newly introduced metric system.

Although Richelieu formally established the printing office, its origin can be traced back to the appointment of a royal printer in 1539 by King François I, who was anxious to encourage Hellenistic studies in

France. The Imprimerie, which now occupies a large complex of buildings in Paris and another modern plant at Douai, still has the punches for the original Greek typefaces designed by Garamont, known as the *Greco du Roi*.

The workshop also has a collection of all the books produced by the printing office from the first, a folio edition called "De l'imprimerie Chrétienne," to a beautifully illustrated set of Buffon's 18th-century "Histoire Naturelle" to modern versions of the classics illustrated by 20th-century artists.

The books are printed in a shop that could be considered a working museum. Flatbed presses built 80 years ago by Miehle in Chicago are still in use. "You have to be sporting to operate this machine," said Eduard Troselle, a workshop supervisor, as a printer fed sheets one by one by hand into a century-old relic, deftly managing to keep his fingers out of harm's way.

At one end of the room, a small wooden hand press, of a design dating back to the Renaissance, is used to reproduce copperplate engravings. Even the most modern machines in the plant are no longer manufactured, and have to be nursed along with spare parts made on the site.

The persistence in sticking to the old ways in the midst of the modern printing plant helps to conserve the Imprimerie's distinctive and historical character, Kespi said. "In a real sense, we consider that keeping the typographic arts alive is our patriotic duty."

Fashion Strikes Ancient Mediterranean Sculpture

FASHION is hitting head on in an unlikely area: antiquities from the ancient Mediterranean world. The hunt is on for sculpture from pharaonic Egypt, Greece and Rome, big and small, as verified throughout a \$2 million sale at Sotheby's in New York last week.

better in Sotheby's photograph, but the front is distressingly damaged — "in antiquity," Sotheby's expert shrewdly notes, giving damage the aura of great age.

The latest news is that small sculpture can do just as well. A Greek marble torso only 31.4 centimeters, which sold for \$23,100, could be called the success of the sale in its modest way.

The most remarkable development is the Classical revival that came out strongly in the auction on June 15. It was inevitable in view of some of the broader trends that have been making themselves felt in the art

market in recent years. One is the surge of interest across the board in three-dimensional art. The second is the massive swing back to figurative art in general and its more academic aspects in particular.

Yet, despite the new vogue and the corresponding price rise, the greatest in Hellenistic statuary can still be inexpensive compared with the other periods of Western sculpture.

The masterpiece last week was probably a 28-centimeter marble head, noncommittally catalogued as "Apollo or the young Alexander." This is undoubtedly the portrait of a man in the prime of youth. The face is handled in a style attempting to recapture the spirit of fifth-century B.C. Classicism that spread in the Greek cities around the second century and lasted 100 years or so. At its best, as here, it carried

portraiture to very high level. Tight-lipped determination, faintly toned down by a suggested smile of self-confidence, is conveyed with supreme skill. The price, \$68,750, seems light by comparison with any work of comparable caliber from the 16th century on.

For rarity, the prize went to another portrait of a young man also harking back to Classical times. Here, however, the choice of *Lunatic*, a type of black marble with white carvings in the grain, transforms the otherwise restrained portrait into a Baroque fantasy.

Rarity, however, does not in itself ensure success, not even coupled with quality. One marvelous statue in the sale showed that old art market preconceptions can still prevail.

There was only one hitch: Those who

follow the market remembered seeing it in the same auction house in February 1965. It then sold for \$79,750, reportedly as an investment. This time it went for \$121,000, barely more than the low estimate.

Yet, money was flowing freely last week. When rarity was not handicapped by considerations unrelated to art, the sky was the limit. Few Egyptian works of the 11th dynasty (2134 to 1991 B.C.) are available these days, particularly polychrome low reliefs of conventional picture size that look nice on a wall.

The big sensation later in the sale was a gold cup of rounded form with a high pouring lip curving very slightly at the tip. Keresy, quoting two scholars, calls it "Early Hellenic II, circa 2700-2500 B.C." The only comparable object, a gold cup acquired by the Louvre in 1887, was said at the time to have surfaced in the Peloponnese.

in 1929, also said to have been found on the Peloponnese." Given the fear that reputedly excavated gold objects put into the hands of collectors, the 16.5-centimeter cup sold wonderfully at \$341,000.

The irony is that at the end of the sale a whole row of gold and silver fakes from Iran were being sold for what they are, 20th-century reproductions in Achaemenid, Sassanian or even early Islamic style. A gold vessel with its extremely designed in the shape of the head of a mountain goat tried to suggest the style of seventh-sixth century B.C. Iran. It was given a prominent place in Paris in the 1961-62 Petit Palais exhibition "7,000 Years of Iranian Art."



SOUREN MELIKIAN market in recent years. One is the surge of interest across the board in three-dimensional art. The second is the massive swing back to figurative art in general and its more academic aspects in particular.

Table with financial data: NYSE Most Actives, Market Sales, NYSE Index, NYSE Diary, Dow Jones Bond Averages.

Table with financial data: Tuesday's NYSE Closing, AMEX Diary, NASDAQ Index, AMEX Most Actives, Dow Jones Averages, Standard & Poor's Index, Previous NASDAQ Diary, AMEX Stock Index.

Table with financial data: NYSE Rebounds After Sell-Off (left column), listing various stocks and their prices.

NYSE Rebounds After Sell-Off United Press International NEW YORK — Prices on the New York Stock Exchange recovered from a midday sell-off Tuesday and rallied to end sharply higher in moderate trading. Favorable economic data and strong buying interest late in the session underpinned the advance.

Table with financial data: NYSE Rebounds After Sell-Off (middle column), listing various stocks and their prices.

Table with financial data: NYSE Rebounds After Sell-Off (right column), listing various stocks and their prices.

Table with financial data: NYSE Rebounds After Sell-Off (far right column), listing various stocks and their prices.

JAPANESE

BUSINESS ROUNDUP

IBM Announces Minicomputer Line

NEW YORK — International Business Machines Corp. unveiled a line of six minicomputers on Monday in what was called its largest product announcement ever.

The machines are to be available in August. That is an unusually short time after a product announcement and would allow sales to play a significant role in IBM's 1988 revenue.

market with a share of almost 24 percent, according to International Data Corp. But while IBM's market share has fallen since 1984, Digital Equipment's has increased to just under 19 percent of the market, International Data said.

Japanese Cars' Quality Edge Is Declining, U.S. Poll Finds

By James Risen
Los Angeles Times Service
DETROIT — The perceived "quality gap" between Japanese and U.S. cars appears to be narrowing, according to a recent report.

that it found owners of the Taurus and the Mercury Sable, which is similar, were experiencing "greater-than-average" repair problems.

of Japanese cars surveyed, there were 144 problems reported, up from 129 problems for each 100 owners surveyed in 1987.

Sabena Orders 16 Boeing Jets

BRUSSELS — Sabena, the Belgian national airline, announced Tuesday that it had ordered 16 Boeing 737s as part of a plan to renew and expand its fleet.

Generale: Rivals Reach Truce on Belgian Firm

(Continued from first finance page)
operational responsibilities on the board but does not carry the same weight as chief executive officer or managing director.

French Firm Offers to Buy Essex Water

LONDON — Lyonnaise des Eaux of France announced Tuesday it has offered to acquire Essex Water Co. of Britain for about £47.6 million (\$85 million).

Tomkins Tops Electrolux Bid for Murray

LONDON — Tomkins PLC, a British industrial holding company, said Tuesday that it has agreed to acquire Tennessee-based Murray Ohio Manufacturing Co. for \$224 million, forcing Electrolux AB to drop its hostile bid.

Simmons Faces a Takeover

CHICAGO — Simmons Airlines Inc., a regional U.S. carrier, said Tuesday that American Airlines is considering acquiring it.

Pao Units Buy Hotel Firm for \$135 Million

HONG KONG — World International (Holdings) Ltd. and its affiliate Wharf (Holdings) Ltd. said Tuesday that they are buying the U.S.-based Omni Hotels Group for \$135 million in cash.

EXACO: Future of Icahn's Stake Remains Unclear

(Continued from first finance page)
Eventually bought Getty Inc. Texaco settled the case and the way for its emergence Chapter 11 proceedings by paying \$3 billion to Pennzoil.

company remains "flexible and interested" in connection with Texaco, but also noted that it may take no action at all.

chases in January with Kohlberg Kravis's broker, Bear, Stearns & Co. Kohlberg Kravis's role was a matter of intense speculation for weeks, especially after last Tuesday, when a block of 7.7 million shares of Texaco was traded.

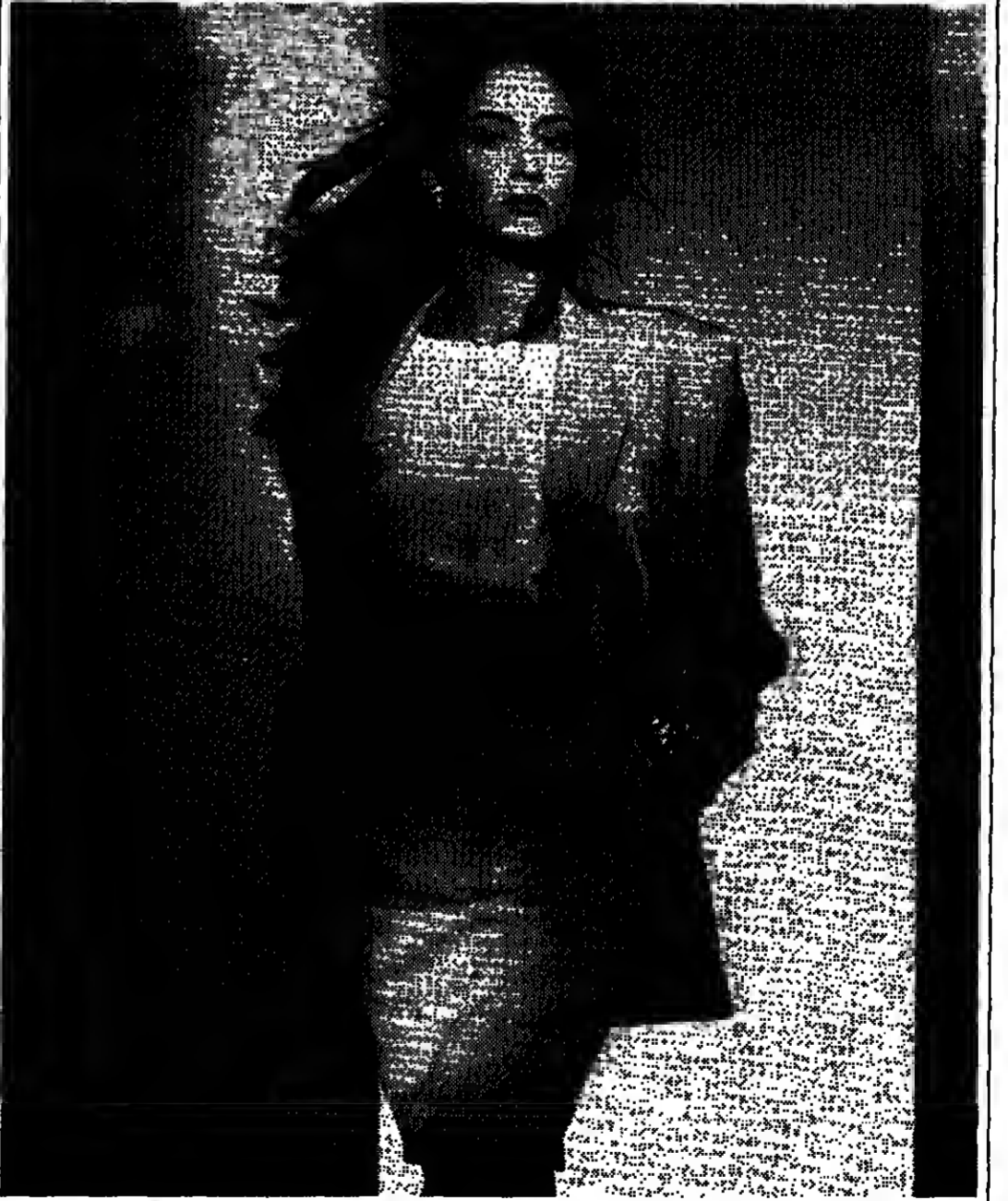
WARDS: BBDO Wins Twice

(Continued from first finance page)
Kraft and Tokyo to explain developments in manufacturing service industries. Australia is enjoying a boom, large-scale tight fiscal and monetary policies and rising prices for commodities, particularly wool.

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Floating-Rate Notes

Table of Floating-Rate Notes with columns for Issuer/Mat., Coupon, Next Bid, and Ask.

ROYCO INVESTMENT COMPANY advertisement with contact information and services.

BUSINESS SCHOOL LAUSANNE advertisement for Saturday seminars.

Table of U.S. Futures including Wheat, Corn, Soybeans, and other commodities.

Table of Deutsche Marks and Japanese Yen futures.

Table of E.C.U. (European Currency Unit) futures.

Table of Livestock futures including Cattle and Hogs.

Table of Currency Options including various international currencies.

Table of London Commodities including various raw materials.

Table of London Metals including Aluminum, Copper, and Lead.

Table of Dividends for various international companies.

Table of Spot Commodities including various agricultural products.

INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 21st June 1988

Large table of International Funds with columns for Fund Name, Currency, and various performance metrics.

Table of US Treasuries including various government bonds.

Table of DM Futures Options including German Mark derivatives.

Ericsson Seeks Radio Phone Firm advertisement with details of a business acquisition.

DM Futures Options advertisement with contact information.

Large vertical advertisement on the right edge of the page, partially cut off.

DKYO FOCUS

Nissan, in Unique Move, Cuts Prices

Industry sources said that other car makers also are likely to cut prices on four-wheel-drive vehicles, for which domestic sales rose 25.2 percent to 269,000 in 1987 from the previous year.

Toyota Record Issue

TOKYO — Toyota Motor Corp. has said that it plans to issue 300 billion yen (\$2.38 billion) of domestic bonds in July convertible into shares, the largest such issue by a Japanese company.

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S.-Japan Beef and Orange Accord Ends Major Dispute

By Susan Chira New York Times Service TOKYO — The settlement on Monday of a dispute over beef and oranges clears up the most contentious trade issues between the United States and Japan.

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CURRENCY MARKETS

Dollar Declines on Profit-Taking

NEW YORK — The dollar slipped Tuesday against most major currencies in New York as dealers took profits, after the currency ended mixed in quiet European trading.

Dealers said that the communique from the Toronto summit meeting of the Group of Seven major industrialized countries had little impact on trading. The G-7 issued a warning against excessive dollar fluctuations.

"This means we'll be trading in bands just as we have been doing in the past few months," said Peter Medlock, chief dealer at Societe Generale in London.

In New York, dealers sold for profits after the dollar failed to extend its gains past 1.76 Deutsche marks, an eight-month high.

The U.S. currency finished at 1.7553 DM, down from its close at 1.76 DM on Monday. However, it edged higher to 126.42 yen from 126.27.

The dollar eased, though, against other European currencies, slipping to 1.4590 Swiss francs from 1.4625 and to 5.9230 French francs from 5.9355.

The British pound rose to \$1.7895 from \$1.7853.

Market participants remained generally positive about the dollar, although some suspect that historic currency movements and continued selling by the Bundesbank, the West German central bank, imply a pullback is due against the mark.

"There were signs the dollar was struggling a little bit today," said David Sawyer, a vice president of foreign exchange marketing at First Chicago in London. "A correction might happen anytime."

"I think the dollar is well supported," said Earl Johnson of Harris Trust & Savings Bank. "But I

London Dollar Rates table with columns for currency, rate, and change.

don't see a serious run at 1.80 DM, for example."

In London, the dollar closed at 1.7580 DM, down from 1.7595 at Monday's close. The U.S. currency ended firmer against the Japanese yen at 126.45 yen, up from 126.18 the previous session.

However, it weakened slightly after reports on the G-7's draft communique. Mr. Medlock said some market participants had hoped for some form of encouragement to push the dollar higher.

"People who were long on dol-

lars could get frustrated," he said. The British pound ended slightly firmer at \$1.7855, up from \$1.7845.

The French franc also gained against the dollar, rising to 5.9295 francs from 5.9285.

Dealers in London noted the pound held firm against currencies other than the dollar, although the Bank of England did not signal a rise in base rates in its money market operations Tuesday morning.

This was despite a quarter-point rise in the West German central bank's repurchase rate on Tuesday morning. That increase had been expected.

"The time is not yet right" for a British base rate rise because of exchange rate considerations, Mr. Sawyer of First Chicago said.

British authorities have taken advantage of the pound's recent fall to initiate a rise in base rates to curb inflationary pressures appearing to build up in the economy.

U.S. Consumer Price Rises Further Abated in May

WASHINGTON — U.S. consumer price increases slowed in May for the second consecutive month as an earlier surge in clothing prices came to an abrupt halt and food price rises moderated, the government announced Tuesday.

Economists said the drought that is plaguing Middle Western farm regions has had little impact on consumer prices so far. The consumer price index, a widely used measure of inflation, rose a seasonally adjusted 0.3 percent in May after gains of 0.4 percent in April and 0.5 percent in March, the Labor Department said.

For the first five months of 1988, prices rose at a 4.4 percent annual rate, identical to the advance for all of 1987, the department said. In the 12 months ended in May, prices rose 3.9 percent, it said.

"There's some moderation in this report," said Donald Ratajczak, director of the Georgia State University Center for Economic Forecasting.

"It continues to show that regardless of what's happening with import prices, or even what's happening down on the farm, the consumer only has tolerance for so much," Mr. Ratajczak said.

Gasoline prices rose 1.6 percent in May after a 1.1 percent rise in April. Such a rise is not unusual at the start of the vacation season. Food and beverage prices rose only 0.4 percent in May after a 0.6 percent gain in April as price increases slowed significantly for most staples.

Bundesbank Predicts Healthy Growth for West Germany

FRANKFURT — The West German economy is healthy and should continue to grow at a respectable rate, with prices remaining steady, the country's central bank said Tuesday.

A Bundesbank report said, "Growth in production went together with a wide-ranging improvement in business confidence after the turbulence on the stock and currency markets towards the end of last year had had a temporary negative effect."

It said the West German economy grew by a seasonally adjusted 1.5 percent in the first quarter over the last quarter of 1987.

The rate was distorted by a mild winter, which gave an exceptional boost to building activity, it said. But even without this factor, growth was 0.8 percent.

Further growth at this rate would yield annual

growth of more than 3 percent, the Bundesbank added.

"As this illustrates, the German economy had an unchanged positive trend at the start of the current year. Important indicators of demand suggest that the economic forces for growth have if anything increased," it said.

The Bundesbank said domestic demand was the main source of West German growth, rising by 2 percent from the previous quarter, adjusted for seasonal factors and inflation.

The strength of domestic demand helped the economy shift away from its previous dependence on exports, the bank said.

"The irritations, which the turbulence on the stock and currency markets brought with it, have been immediately surmounted by the economy," it said.

The report said business expectations had

Rise Foreseen in Yen Interest Rates

TOKYO — Money dealers in Japan continue to expect a rise in yen interest rates despite Bank of Japan attempts to defuse such speculation.

The bond market majority sees higher interest rates from later this month on seasonal factors," said Yuichi Kaneko, assistant general manager of Dai-ichi Kangyo Bank Ltd.

The Bank of Japan bought government bonds totaling 246 billion yen (\$1.95 billion) on Friday, just ahead of the economic summit meeting in Toronto, and it bought 50 billion yen on Tuesday.

A Bank of Japan official said the bank bought bonds in an effort to ease fears of higher yen interest rates.

There was too much worry about rising rates, he said. The official said the Bank of Japan would not change its basic monetary stance.

But Mr. Kaneko of Dai-ichi said the seasonal upturn in rates would be accentuated if the yen did not strengthen.

The strong yen had enabled Japan to post a good economic performance and maintain low interest rates and no inflation, he said.

A current bullish sentiment for the dollar means there is more chance of the U.S. currency rising if monetary policy coordination on loans after the summit meeting, money dealers said.

But they said the central bank could moderate a dollar rise against the yen — which could intensify fears of inflation — by nudging short-term money market rates higher.

The governor of the Bank of Japan, Satoshi Sumita, said earlier this month that he was concerned

EC Court Directs Britain To Widen VAT Collection

LUXEMBOURG — The European Court of Justice on Tuesday ordered Britain to widen the application of its sales tax in a ruling that affects the country's construction industry.

The judgment, a rare attack on a national tax system, came as the European Community is trying to push members to standardize their indirect taxes by 1992, the community's target date for the establishment of a single market.

The Luxembourg court, whose rulings are binding, said Britain should charge value added tax on all goods and services that do not go directly to the final customer.

It ordered Britain to impose VAT on new buildings, except for private housing, on electricity sup-

plies to industry and on the sale of news services to banks and insurance companies.

Legal experts said Britain will have to decide whether to charge standard rate of VAT, which is 8 percent, or a lower rate.

The British Building Employers Confederation said the additional annual tax burden on construction work would be between £25 billion and £30 billion (£450 million and \$1.1 billion).

In London, Economic Secretary Peter Lilley said the government would change tax rules to set the impact of the ruling.

A complex system allows contractors to claim VAT on their goods and services. It is borne by the consumer.

Tuesday's OTC Prices advertisement with NASDAQ prices as of 4 p.m. New York time.

Table A: 12 Month High Low Stock Div. Yld. % High Low 4 P.M. CHG.

Table B: 12 Month High Low Stock Div. Yld. % High Low 4 P.M. CHG.

Table C: 12 Month High Low Stock Div. Yld. % High Low 4 P.M. CHG.

Table D: 12 Month High Low Stock Div. Yld. % High Low 4 P.M. CHG.

Table E: 12 Month High Low Stock Div. Yld. % High Low 4 P.M. CHG.

Table F: 12 Month High Low Stock Div. Yld. % High Low 4 P.M. CHG.

Table G: 12 Month High Low Stock Div. Yld. % High Low 4 P.M. CHG.

Table H: 12 Month High Low Stock Div. Yld. % High Low 4 P.M. CHG.

Table I: 12 Month High Low Stock Div. Yld. % High Low 4 P.M. CHG.

Table J: 12 Month High Low Stock Div. Yld. % High Low 4 P.M. CHG.

LOBAR advertisement with text: LOBAR... FROM 1

Tuesday's AMEX Closing advertisement with text: Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Handwritten signature or mark at the bottom of the page.

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Yen Interest Efforts by Bank of Japan

Court Directs Britain to Widen VAT Collection

Additional text on the left side of the page.

Tuesday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Table with columns: Div, Yld, PE, High, Low, One Year, Change. Lists various stocks and their performance.

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AMEX Highs-Lows table with columns: High, Low, Change.

GLOBAL FINANCE October 3, 1988

Table of exchange rates for various currencies including USD, DM, SF, FRF, etc.

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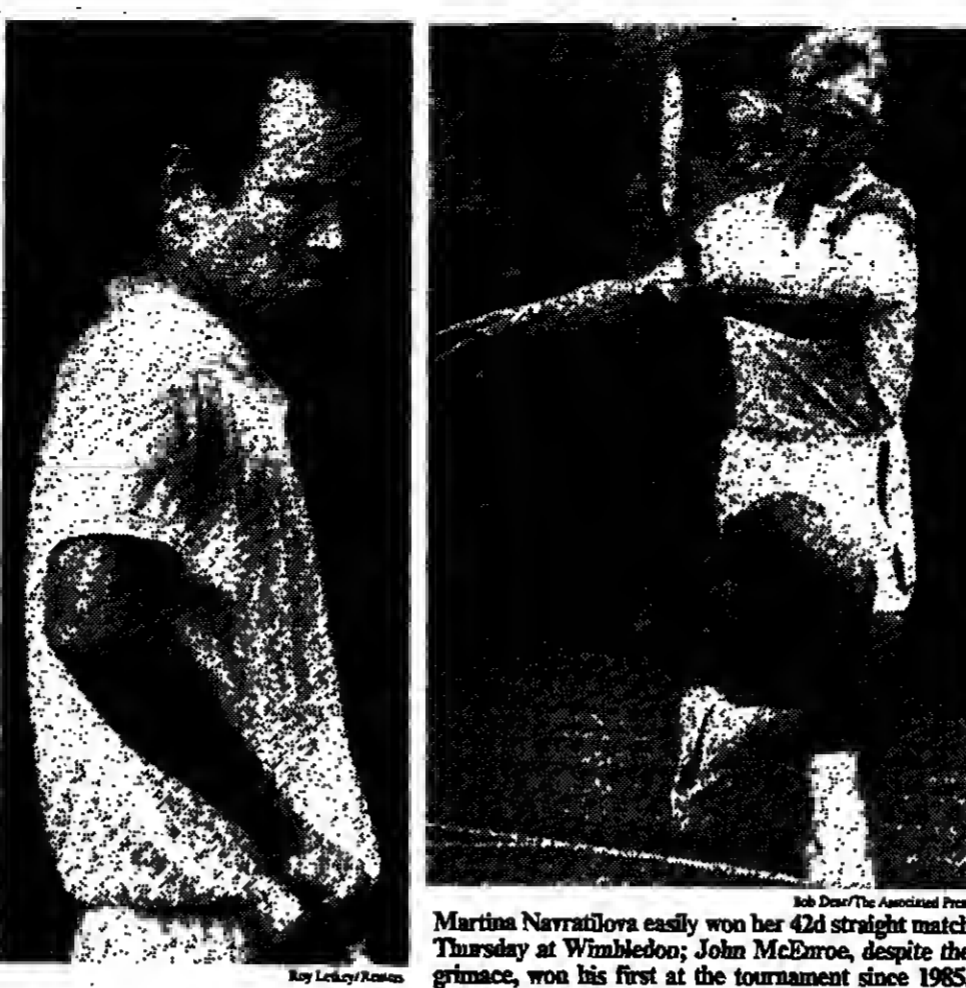
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SPORTS

Holland Gains Final, Beating W. Germany

The Associated Press
LMBURG — A late goal by van Basten on Tuesday sent Netherlands into the final of the European Championship...



Martina Navratilova easily won her 42d straight match Thursday at Wimbledon; John McEnroe, despite the grimace, won his first at the tournament since 1985.

McEnroe's Return a Triumph; Navratilova, Graf Win Easily

By John Feinstein
Washington Post Service
LONDON — Three years later, Wimbledon's prodigal son returned. And, if there has ever been any doubt about the validity of the phrase "Absence makes the heart grow fonder," it evaporated at 2:59 P.M. Tuesday when John Patrick McEnroe formally came back to Wimbledon.



John McEnroe, despite the grimace, won his first at the tournament since 1985.

Brooklyn's Homer Against Yanks Puts Tigers in First

led by Our Staff From Dispatches
TROT — Tom Brookens some Detroit fans forget the Pistons and Isiah Thomas while Monday night when he came in the 10th inning to lead the Tigers into first place in the Eastern Division with a 2-1 victory over the New York Yankees.

to Fred McGriff hit a two-run homer against Baltimore and Dave Stieb won his ninth straight.

BASEBALL ROUNDUP
Jeff Russell, with a four-bitter, improved to 7-0 and tied Jim Kern's team record for best start.

to six hits mull Mark Davis relieved with one out and runners on second and third in the eighth. Davis struck out Will Clark and Candy Maldonado.

Dodgers scored five runs on 10 hits in the first four innings.

Pistons' Thomas Doubts He Can Play

Injured Ankle May Keep All-Star Guard From Title Game
Compiled by Our Staff From Dispatches
INGLEWOOD, California. — As the Detroit Pistons practiced Monday at the Forum to get ready for Tuesday night's seventh and deciding game of the National Basketball Association championship series, they did so without their all-star point guard, Isiah Thomas.

badly after the injury, he still managed to make 11 more baskets, many while favoring the ankle, and finished the game with 43 points.

Isiah Thomas: On crutches.
scorer, more involved in the offense. Dantley, who was double-teamed and constantly harassed Sunday, took only 10 shots; he made 3 and scored 14 points.

Navratilova, starting her quest for a seventh straight singles title, won her 42d straight Wimbledon match, romping past Sabrija Gotsche, 6-1, 6-2.

FOREBOARD

Advertisement for Seiko watches, featuring a Seiko logo and the text 'OFFICIAL TIMER SEIKO'.

BASEBALL

Monday's Major League Line Scores
Table with columns for Team, W, L, Pct., and Score.

Major League Standings

Table showing Major League Standings for American League and National League.

Allison Badly Hurt In Crash at Pocono

United Press International
ALLENSTOWN, Pennsylvania — Champion race car driver Bobby Allison was "semiconscious and responding to verbal commands" Monday after suffering a bruised heart and fractures in a crash at the Miller High Life 500 at Pocono International Raceway.

Tyson Bout Set At 12 Rounds

The Associated Press
TRENTON, New Jersey — Next Monday's heavyweight title fight between Mike Tyson and Michael Spinks has been set at 12 rounds by the state of New Jersey, but the International Boxing Federation said Tuesday it still would strip Tyson of its crown because he won't agree to a 15-round bout.

Strange Beats Faldo By 4 in Open Playoff

By Gordon S. White Jr.
New York Times Service
BROOKLINE, Massachusetts — Curtis Strange, who never trailed Monday, beat Nick Faldo of England by four strokes in an 18-hole playoff for the 88th U.S. Open championship.

Both missed the green on the second hole. Strange blasted free of a bunker for his par-3 and Faldo chipped from the right collar for his. Then came the first break, when Strange scrambled out of deep rough and two-putted from 30 feet (9 meters) for par-4. Faldo drove the fairway, but hit his approach into a bunker. He couldn't get close and two-putted from 20 feet for bogey.

Advertisement for Hausmann watches, featuring a watch image and the text 'HAUSMANN CONCESSIONARIO UFFICIALE ROMA'.

